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## Mexico

### Grain and Feed

### Sorghum and Corn Update

2002

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**Report Highlights:**

The forecast for Mexico's MY 2002/03 sorghum production has been lowered, due to reduced planted area. Also, MY 2001/02 corn imports estimates have been raised, reflecting preliminary final official data. Similarly, corn exports for MY 2001/02 have been raised to 92,000 MT, due to a new support program to export corn. Also, the corn export forecast for MY 2002/03 was revised upward.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico [MX1], [MX]

PSD Table						
Country	Mexico					
Commodity	Corn			(1000 HA)(1000 MT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin	10/2000		10/2001		10/2002	
Area Harvested	7145	7145	7780	7780	7700	8000
Beginning Stocks	2336	2336	2167	2568	1752	2737
Production	17920	17920	19600	20394	19000	19000
TOTAL Mkt. Yr. Imports	5928	6319	4000	4197	6000	6000
Oct-Sep Imports	5928	6319	4000	4197	6000	6000
Oct-Sep Import U.S.	5928	6319	0	4197	0	6000
TOTAL SUPPLY	26184	<b>26575</b>	25767	<b>27159</b>	26752	<b>27737</b>
TOTAL Mkt. Yr. Exports	17	7	15	92	15	100
Oct-Sep Exports	17	7	15	92	15	100
Feed Dom. Consumption	8800	8800	8800	8800	9800	9800
TOTAL Dom. Consumption	24000	24000	24000	24330	25000	24850
Ending Stocks	2167	2568	1752	2737	1737	2637
TOTAL DISTRIBUTION	26184	<b>26575</b>	25767	<b>27159</b>	26752	<b>27737</b>

## Production

The 2001/02 corn production estimate has been revised up slightly, as good weather conditions during the growing season increased yield prospects. It should be noted that private and official sources coincided with this production estimation. Moreover, FAS/Mexico uses official Mexican government statistics for historical purposes. Production estimates for MY 2000/01 and MY 2002/03 remain unchanged.

## Consumption

Consumption estimates for MY 2001/02 were revised upward to 24.330 MMT based on preliminary ending data from private sources and in accordance with general population growth. It should be noted that despite the HFCS issue (see MX 2133), the demand of imported yellow corn by the starch industry has not been adversely affected in CY 2002. The starch industry produces the HFCS in Mexico. According SE officials, the total amount assigned to meet the requirements of the starch industry in CY 2002 is slightly lower than a year ago, which reflects more the Congressional mandate of reducing the out-of-quota quantity of corn imported in CY2002 (see MX 2037 and MX 2126) rather than a decrease in the amount of corn imported by the starch industry. It should be noted that even though there has been no significant decrease in the amount of corn imported by the starch industry, most of this is going for the production of other starch products and not HFCS.

## Trade

The import estimate for MY 2000/01 was revised upward to 6.319 MMT, reflecting official trade data from the Secretariat of Economy (World Trade Atlas). Similarly, the import estimate for MY 2001/02 has been revised upward to 197,000 MT, based on World Trade Atlas data (3.768 MT October-July) and U.S. Exports Sales data for August and September. Lower imports for MY 2000/01 were offset by increased production and higher-than-expected beginning stocks. Some trade sources have indicated that shipments of U.S. corn exports have been slowing during the last weeks, which was confirmed by the Secretariat of Economy (SE) officials. According to private sources, SE delayed the issue of import permits for U.S. corn, due to some administrative requirements and because it has allocated 2002 NAFTA out-of-quota import permits ("cupos") for yellow corn on a case-by-case basis. Sources indicated, however, that the main importers (i.e., Bachoco and Arancia) have already received their "cupos" and that the import trend of U.S. corn should be back to normal in the next few days. The import estimate for MY 2002/03 remains unchanged.

The MY 2001/02 export estimate has been raised to 92,000 MT, reflecting the most recent official information from the Secretariat of Economy (World Trade Atlas). On June 27, 2002, ASERCA announced the rules of a new support program on the "Diario Oficial" (Mexico's Federal Register) to provide incentives for Mexican buyers to export white corn produced in Sinaloa during the fall/winter 2001/02 crop cycle. The main purpose of this program is to reduce the temporary oversupplies of white corn in Sinaloa. As a result of this program, Mexico white corn exports increased, official sources stated. The new program includes a flat rate per ton payment of 274 pesos per hectare (US\$27/MT) that has been given to buyers of Sinaloa's corn who decide to export this grain. The total volume to be supported by the program is 200,000 MT. ASERCA is SAGARPA's decentralized administrative body in charge of developing and implementing Mexican domestic farm and agricultural trade policy. Similarly, export estimates for MY 2002/03 have been revised upward to 100,000 MT, on the assumption that SAGARPA will implement a similar program next year. The import estimate for MY 2000/01 has been revised downward, based on Mexican official data.

## Stocks

Estimated ending stocks for MY 2000/01 and MY 2001/02 have been increased in response to increased production and imports. Also, the ending stock estimate for MY 2002/03 was revised slightly upward.

PSD Table						
Country	Mexico					
Commodity	Sorghum			(1000 HA)(1000 MT)		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin	10/2000		10/2001		10/2002	
Area Harvested	1825	1835	1960	1890	1950	1850
Beginning Stocks	1281	1281	788	779	788	626
Production	5665	5665	6500	5882	6850	5500
TOTAL Mkt. Yr. Imports	4892	4883	4700	5165	4200	5400
Oct-Sep Imports	4892	4883	4700	5165	4200	5400
Oct-Sep Import U.S.	4862	4804	0	5123	0	5350
TOTAL SUPPLY	11838	<b>11829</b>	11988	<b>11826</b>	11838	<b>11526</b>
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	11050	11050	11200	11200	11200	11200
TOTAL Dom. Consumption	11050	11050	11200	11200	11200	11200
Ending Stocks	788	779	788	626	638	326
TOTAL DISTRIBUTION	11838	<b>11829</b>	11988	<b>11826</b>	11838	<b>11526</b>

## Production

FAS/Mexico has lowered the production estimate for Mexico's total MY 2001/02 sorghum crop to 5.9 MMT, due to severe dry weather damage in Tamaulipas, one of the country's most important sorghum areas (see MX 2069, MX 2090). Tamaulipas alone accounts for approximately 70 percent of Mexico's spring/summer harvest. During the 2002 spring/summer harvest, total losses reached more than 100,000 hectares, as yields diminished due to lack of rainfall during the head-filling stage. Consequently, production for this season was approximately 1.1 MMT, or 37 percent lower than a year ago. The spring/summer harvest normally accounts for approximately 35 percent of total sorghum production, but this year its share was reduced by at least 10 percent. Similarly, FAS/Mexico has decreased the estimates for harvested area based on the most recent data from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA). Also, the MY 2002/03 production forecast was revised downward as a result a lower planted area. SAGARPA and private industry surveys revealed that estimated 2002/03 fall/winter harvest production will be 3.5 MMT, which is lower than initially estimated. Even though weather conditions have been favorable in the main producing areas such as the Bajio region, the total planted area was lower than originally expected. For 2002/03 fall/winter harvest, sorghum growers planted 1.0 million has., down from the 1.142 million hectares initially estimated (see MX 2122).

**Trade**

The MY 2000/01 import estimate has been raised to 5.4 MMT, due to lower than previously estimated domestic production and continued strong demand from feed millers. Similarly, the import estimate for MY 2001/02 has been revised upward to 5.2 MMT. This increase reflects preliminary final official data and the necessity to rebuild stocks. The import estimate for MY 2000/01 has been revised slightly downward based on Mexican official data.

**Stocks**

Estimated ending stocks for MY 2001/02 and MY 2002/03 have been lowered in response to reduced production. Also, the ending stock estimate for MY 2000/01 was revised slightly downward.